

**TRANSMITTAL AND NOTICE OF APPROVAL
OF STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER
02-29

2. STATE:
ILLINOIS

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE:
October 1, 2002

5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN

☒ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☐
AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 447

7. FEDERAL BUDGET IMPACT
a. FFY 03 ~~\$11,312,000~~
b. FFY 04 \$ 8,971,000

\$ 11,213,000 *sn*
4-1-03

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19A pages 102, 103, 104, 105, 106, 107,
108, 108A, 122, 123, 124, 125, 126, 127, 128, 131M,
131M(1), 131M(2), 131M(3),
131M(4), 131M(5), 131M(6), ~~131M(7), 131M(8)~~

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19A pages 102, 103, 104, 105, 106, 107,
108, 108A, 122, 123, 124, 125, 126, 127, 128, 131M

11/10/02 **Attach. 4.19B pages 25(a), 25(b), 25(c)**

10. SUBJECT OF AMENDMENT:

INPATIENT

11. GOVERNOR'S REVIEW (Check One)

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Not submitted for review by prior
approval.

12. SIGNATURE OF AGENCY OFFICIAL:

A. George Hovanec

13. TYPED NAME:

A. George Hovanec

14. TITLE:

Acting **DIRECTOR**

15. DATE SUBMITTED

16. RETURN TO:

ILLINOIS DEPARTMENT OF PUBLIC AID

ATTENTION: John Rupcich

**201 SOUTH GRAND AVENUE, EAST
SPRINGFIELD, IL. 62763-0001**

Greg Wilson

FOR REGIONAL OFFICE USE ONLY	
17. EFFECTIVE DATE OF APPROVAL	18. SIGNATURE OF AGENCY OFFICIAL
19. TYPED NAME	20. TITLE
21. REMARKS	

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Page 102

STATE OF ILLINOIS

METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL
REIMBURSEMENT: MEDICAL ASSISTANCE-GRANT (MAG) AND MEDICAL ASSISTANCE-NO GRANT
(MANG)==07/97 ~~FK~~. Critical Hospital Adjustment Payment (CHAP) Reviews==07/97

1. The Department shall make CHAP payments in accordance with Chapter XV. Hospitals shall be notified in writing the results of the CHAP determination and calculation, and shall have the right to appeal the CHAP calculation or their ineligibility for the CHAP if it is believed that a technical error has been made in the calculation. The appeal must be in writing and must be received within 30 days after the date of the Department's notice to the hospital of its qualification for CHAP and payment adjustment amounts, or a letter of notification that the hospital does not qualify for the CHAP. Such a request shall include a clear explanation of the reason for the appeal and documentation of the desired correction. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.

07/95

2. CHAP determination reviews shall be limited to the following:

07/95

- a. Federally Designated Health Professional Shortage Areas (HPSAs). Illinois hospitals located in federally designated HPSAs shall be identified in accordance with 42 CFR 5, and Section A.3.b. and B.3. of Chapter XV based upon the methodologies utilized by, and the most current information available to the Department from the Department of Health and Human Services as of the last day of June preceding the CHAP rate period. Review shall be limited to hospitals in locations that have failed to obtain designation as federally designated HPSAs only when such a request for review is accompanied by documentation from the Department of Health and Human Services substantiating that the hospital was located in a federally designated HPSA as of the last day of June preceding the CHAP rate period.

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(MANG)

- 07/95 b. Trauma level designation. Trauma level designation is obtained from the Illinois Department of Public Health as of the last day of June preceding the CHAP rate period. Review shall be limited to requests accompanied by documentation from the Illinois Department of Public Health, substantiating that the information supplied to and utilized by the Department was incorrect.
- 07/95 c. Accreditation of Rehabilitation Facilities. Accreditation of rehabilitation facilities shall be obtained from the Commission on Accreditation of Rehabilitation Facilities as of the last day of June preceding the CHAP rate period. Review shall be limited to requests accompanied by documentation from the Commission, substantiating that the information supplied to and utilized by the Department was incorrect.
- 07/95 d. Medicaid Inpatient Utilization Rates. Medicaid inpatient utilization rates shall be calculated pursuant to Section 1923 of the Social Security Act and as defined in Section C.8.e. of Chapter VI. Review shall be limited to verification that Medicaid inpatient utilization rates were calculated in accordance with federal and State regulations.
- 07/95 e. Perinatal level designation. Perinatal level designation is obtained from the Illinois Department of Public Health as of the last day of June preceding the CHAP rate period. Review shall be limited to requests accompanied by documentation from the Illinois Department of Public Health, substantiating that the information supplied to and utilized by the Department was incorrect.

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- f. Disproportionate share eligibility. Disproportionate share eligibility shall be determined pursuant to Section C. of Chapter VI. Review shall be limited to verification that the Department utilized criteria in accordance with State regulations.
- 07/95 g. Occupancy ratio. The occupancy ratio shall be obtained from the Illinois Department of Public Health's published report entitled "Bed Count, Average Length of Stay, Average Daily Census and Percent Occupancy for Non-Federal Hospitals in Illinois" as of the last day of June preceding the CHAP rate period. Review shall be limited to requests accompanied by documentation from the Illinois Department of Public Health, substantiating that the information supplied to and utilized by the Department was incorrect.
- 07/95 h. Graduate Medical Education Programs. Graduate Medical Education program shall be obtained from the most recently published report of the American Accreditation Council for Graduate Medical Education, the American Osteopathic Association Division of Post-doctoral Training, or the American Dental Association Joint Commission on Dental Accreditation as of the last day of June preceding the CHAP rate period. Review shall be limited to requests accompanied by documentation from the above, substantiating that the information supplied to and utilized by the Department was incorrect.

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K. ~~Supplemental Critical Hospital Adjustment Payment (SCHAP)
Reviews.~~

~~The Department shall make SCHAP payments in accordance with Sect. 1 of Chapter XV. Hospitals shall be notified in writing of the results of the SCHAP determination and calculation, and shall have the right to appeal the SCHAP calculation or their ineligibility for SCHAP payments if it is believed that a technical error has been made in the calculation. The appeal must be in writing and must be received within 30 days after the date of the Department's notice to the hospital of its qualification for SCHAP and payment adjustment amounts, or a letter of notification that the hospital does not qualify for SCHAP payments. Such a request must include a clear explanation of the reason for the appeal and documentation that supports the desired correction. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.~~

L. Tertiary Care Adjustment Payment Reviews.

The Department shall make Tertiary Care adjustment payments in accordance with Chapter XV, Section L. Hospitals shall be notified in writing of the results of the Tertiary Care Adjustment Payments determination and calculation, and shall have the right to appeal the Tertiary Care Adjustment Payments calculation or their ineligibility for Tertiary Care Adjustment Payments if it is believed that a technical error has been made in the calculation by the Department. The appeal must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notice to the hospital of its qualification for Tertiary Care Adjustment Payments and payment adjustment amounts, or a letter of notification that the hospital does not qualify for Tertiary Care Adjustment Payments. Such a request must include a clear explanation of the reason for the appeal and documentation that supports the desired correction. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.

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M. Psychiatric Adjustment Payment Reviews

The Department shall make Psychiatric Adjustment Payments in accordance with Chapter XV, Section M. Hospitals shall be notified in writing of the results of the Psychiatric Adjustment Payments determination and calculation, and shall have a right to appeal the Psychiatric Adjustment Payments calculation or their ineligibility for Psychiatric Adjustment Payments if it is believed that a technical error has been made in the calculation by the Department. The appeal must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notice to the hospital of its qualification for Psychiatric Adjustment Payments and payment adjustment amounts, or a letter of notification that the hospital does not qualify for Psychiatric Adjustment Payments. Such a request must include a clear explanation of the reason for the appeal and documentation that supports the desired correction. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.

N. Rural Adjustment Payment Reviews

The Department shall make Rural Adjustment Payments in accordance with Chapter XV, Section N.

1. Hospitals shall be notified in writing of the results of the Rural Adjustment Payments determination and calculation, and shall have a right to appeal the Rural Adjustment Payments calculation or their ineligibility for Rural Adjustment Payments if it is believed that a technical error has been made in the calculation by the Department.
2. The designation of Critical Access Provider and Necessary providers is obtained from the Illinois Department of Public Health as of the first day of July proceeding the rural adjustment payment rate period. Review shall be limited to requests accompanied by documentation from the Illinois Department of Public Health, substantiating that the information supplied to and utilized by the Department was incorrect.
3. The appeal must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notice to the hospital of its qualification for Rural Adjustment Payments and payment adjustment amounts, or a letter of notification that the hospital does not qualify for

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Rural Adjustment Payments. Such a request must include a clear explanation of the reason for the appeal and documentation that supports the desired correction. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.

- O. Pediatric Inpatient Adjustment Payments. The Department shall make Pediatric Inpatient Adjustment payments in accordance with Chapter XX. Hospitals shall be notified in writing of the results of the determination and calculation, and shall have the right to appeal the calculation or their ineligibility for payments under Section 148.298 if it is believed that a technical error has been made in the calculation by the Department. The appeal must be submitted in writing to the Department and must be received or post marked within 30 days after the date of the Department's notice to the hospital of its qualification under Section 148.298 and payment adjustment amounts, or a letter of notification that the hospital does not qualify for such payments. Such a request must include a clear explanation of the reason for the appeal and documentation that supports the desired correction. The Department shall notify the hospital of the results of the review within 30 days after receipt of the hospital's request for review.
- P. For purposes of this Section, the term "post marked" means the date of processing by the United States Post Office or any independent carrier service.
- O. The review procedures provided for in this Section may not be used to submit any new or corrected information that was required to be submitted by a specific date in order to qualify for a payment or payment adjustment. In addition, only information that was submitted expressly for the purpose of qualifying for the payment or payment adjustment under review shall be considered by the Department. Information that has been submitted to the Department for other purposes will not be considered during the review process.

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Reserved

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~~within 30 days after the date of the Department's notice to the
hospital of its qualification for SCHAP and payment adjustment
amounts, or a letter of notification that the hospital does not
qualify for SCHAP payments. Such a request must include a clear
explanation of the reason for the appeal and documentation that
supports the desired correction. The Department shall notify the
hospital of the results of the review within 30 days after receipt of
the hospital's request for review.~~

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REIMBURSEMENT: MEDICAL ASSISTANCE-GRANT (MAG) AND MEDICAL ASSISTANCE-NO GRANT
(MANG)10/02 XV. Critical Hospital Adjustment Payments (CHAP)

Critical Hospital Adjustment Payments (CHAP) shall be made to all eligible hospitals excluding county-owned hospitals, as described in Chapter XVI A.1.a.i., unless otherwise noted in this Chapter XV, and hospitals organized under the University of Illinois Hospital Act, as described in Chapter XVI A.1.a.ii. for inpatient admissions occurring on or after July 1, 1998, in accordance with this Chapter.

A. Trauma Center Adjustments (TCA)

The Department shall make a trauma center adjustment (TCA) to Illinois hospitals recognized, as of the first day of July in the CHAP rate period, as a Level I or Level II trauma center by the Illinois Department of Public Health (IDPH), in accordance with the provisions of 1. through 3 of this Chapter.

1. Level I Trauma Center Adjustment (TCA).

a. Criteria. Illinois hospitals that, on the first day of July in the CHAP rate period are recognized as a Level I trauma center by the Illinois Department of Public Health, shall receive the Level I trauma center adjustment.

b. Adjustment. Illinois hospitals meeting the criteria specified in 1.a. of this Chapter shall receive an adjustment as follows:

i. Hospitals with Medicaid trauma admissions equal to or greater than the mean Medicaid trauma admissions, for all hospitals qualifying under 1.a. of this Chapter shall receive an adjustment of \$21,365.00 per Medicaid trauma admission in the CHAP base period.

ii. Hospitals with Medicaid trauma admissions less than the mean Medicaid trauma admissions, for all hospitals qualifying under 1.a. of this Chapter shall receive an adjustment of \$14,165.00 per Medicaid trauma admission in the CHAP base period.

2. Level II Rural Trauma Center Adjustment (TCA). Illinois rural hospitals, as defined in Chapter XVI 3.3., that, on the first day of July in the CHAP rate period, are recognized as a Level II trauma center by the Illinois Department of Public Health shall receive an adjustment of \$11,565.00 per Medicaid trauma admission in the CHAP base period.

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3. Level II Urban Trauma Center Adjustment (TCA). Illinois urban hospitals, as described in Chapter XVI B.4., that, on the first day of July in the CHAP rate period, are recognized as Level II trauma centers by the Illinois Department of Public Health (IDPH) shall receive an adjustment of \$11,565.00 per Medicaid trauma admission in the CHAP base period, provided that such hospital meets the criteria described in this Chapter.

- a. The hospital is located in a county with no Level I trauma center; and
- b. The hospital is located in a Health Professional Shortage Area, as of the first day of July in the CHAP rate period and has a Medicaid trauma admission percentage at or above the mean of the individual facility values determined in A.3.a. of this Chapter or the hospital has a Medicaid trauma admission percentage that is at least the mean plus one standard deviation of the individual facility values determined in subsection A.3.a. of this Chapter.

B. Rehabilitation Hospital Adjustment (RHA)

Illinois hospitals that, on the first day of July in the CHAP rate period, qualify as rehabilitation hospitals, as defined Section C.2. of Chapter II, and are accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF), shall receive a rehabilitation hospital adjustment in the CHAP rate period that consists of the following three components:

7/02

1. Treatment Component. All hospitals defined in Section B. of this Chapter shall receive \$4,215.00 per Medicaid Level I rehabilitation admission in the CHAP base period.
2. Facility Component. All hospitals defined in Section B. of this Chapter shall receive a facility component that shall be based upon the number of Medicaid Level I rehabilitation admissions in the CHAP base period as follows:

7/02

- a. Hospitals with fewer than 60 Medicaid Level I rehabilitation admissions in the CHAP base period shall receive a facility component of \$229,360.00 in the CHAP rate period.

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- b. Hospitals with 60 or more Medicaid Level I rehabilitation admissions in the CHAP base period shall receive a facility component of \$527,528.00 in the CHAP rate period.

7/02

3. Health Professional Shortage Area Adjustment Component. Hospitals defined in Section B. of this Chapter, that are located in an HPSA as of the first day of July in the CHAP rate period, shall receive \$276.00 per Medicaid Level I rehabilitation inpatient day in the CHAP base period.

C. Direct Hospital Adjustment (DHA) Criteria

1. Qualifying Criteria

Hospitals may qualify for the DHA under this subsection under the following categories:

- a. Except for hospitals operated by the University of Illinois, children's hospitals, psychiatric hospitals, rehabilitation hospitals and long term stay hospitals, all other hospitals located in Health Service Area (HSA) 6 that either:
- i. were eligible for Direct Hospital Adjustments under the CHAP program as of July 1, 1999, and had a Medicaid inpatient utilization rate (MIUR) equal to or greater than the statewide mean in Illinois on July 1, 1999;
 - ii. were eligible under the Supplemental Critical Hospital Adjustment Payment (SCHAP) program as of July 1, 1999, and had a MIUR equal to or greater than the statewide mean in Illinois on July 1, 1999; or
 - iii. were county-owned hospitals as defined in Section C.8 of Chapter II, and had a MIUR equal to or greater than the statewide mean in Illinois on July 1, 1999.
- b. Illinois Hospitals located outside of HSA 6 that have a MIUR greater than 60 percent on July 1, 1999, and an average length of stay less than ten days. The following hospitals are excluded from qualifying from this criteria: children's hospitals; psychiatric hospitals; rehabilitation hospitals; and long term stay hospitals.
- c. Children's hospitals, as defined under Section II.C.3, on July 1, 1999.
- d. Illinois Teaching hospitals with more than 40 graduate medical education programs, on July 1, 1999, not qualifying in subsections C.1.a., b. or c. of this Chapter.

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- e. Except for hospitals operated by the University of Illinois, children's hospitals, psychiatric hospitals, rehabilitation hospitals, long term stay hospitals and hospitals qualifying in subsections (C) (1) (a), (b), (c) or (d) above, all other hospitals located in Illinois that had a MIUR equal to or greater than the mean plus one-half standard deviation on July 1, 1999, and provided more than 15,000 Total days.
- f. Except for hospitals operated by the University of Illinois, children's hospitals, psychiatric hospitals, rehabilitation hospitals, long term stay hospitals and hospitals otherwise qualifying in subsections (C) (1) (a), (b), (c), (d) or (e) all other hospitals that had a MIUR greater than 40 percent on July 1, 1999, and provided more than 7,500 total days and provided obstetrical care as of July 1, 2001.

D. DHA Rates and Payments

7/02

- 1. For hospitals qualifying under subsection C.1.a. above, the DHA rates are as follows:
 - a. Hospitals that have a Combined MIUR that is equal to or greater than the Statewide mean Combined MIUR, but less than one standard deviation above the Statewide mean Combined MIUR, will receive \$69.00 per day for hospitals that do not provide obstetrical care and \$105.00 per day for hospitals that do provide obstetrical care.
 - b. Hospitals that have a Combined MIUR that is equal to or greater than one standard deviation above the Statewide mean Combined MIUR, but less than one and one-half standard deviations above the Statewide mean Combined MIUR, will receive \$105.00 per day for hospitals that do not provide obstetrical care and \$142.00 per day for hospitals that do provide obstetrical care.

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